

Monthly GTE/BA (Verizon) Merger Condition Report
01/08/2001

ICC GTE/BA (Verizon) Merger Condition	Past Completions	Present Month - January 2001	Next Month - February 2001
#1 Rate Reduction of \$10.03 million	The Company filed on July 13, 2000. The Reduction went into effect July 14, 2000.		
#2 OSS Collaborative	Initial teleconference was held July 20, 2000. Collaborative meeting held August 28-29 in Springfield. Participation by AT&T, McLeodUSA, and Gallatin River. Going through exceptions to California JPSA. Held a collaborative meeting on September 26-27. Held collaborative meeting October 24, November 28, and December 5 in Springfield.	Trying to resolve several issues, with the remedy plan most significant. Anticipate completion January 20, 2001.	
#3 Rate Re-balancing Case	The Company filed its motion to withdraw docket #98-0606 July 21, 2000. Verizon withdrew its rate rebalancing request (98-0606) before July 30.		

Monthly GTE/BA (Verizon) Merger Condition Report
01/08/2001

#4 Mirror Interstate Access Rates	The Company continues to mirror interstate special access rates. However, pursuant to the final order in docket #s 97-0601 & 97-0602, the company has filed tariffs that “broke” the mirror for switched access rate elements.		
#5 Yellow Pages Directory Contract	The Company continues to operate under the terms of the Yellow Pages directory contract that was in effect at the time of the Commission’s order.		
#6 Interim UNE Rates	The Company is offering interim UNE rates as approved in docket #96-AB-005 (GTE-AT&T). This was agreed upon and the arbitration ruling filed with the Commission during the merger proceeding.		
#7 File a General Rate Case	The Case must be filed after orders are issued in the company’s UNE and depreciation cases, and no later than three years after the merger closings.		Will not occur until 2003.

Monthly GTE/BA (Verizon) Merger Condition Report
01/08/2001

#8 Rate Freeze for Local Residential and Business Service Until the Company files a general rate case.	The Company is not seeking a rate increase. Rates will not increase until a general rate case is filed.		
#9 Access to Books and Records	The Company will provide access to all books & records.		
#10 Revised, Post-Merger FCC CAM. The Company will file a revised FCC CAM with the Commission when they file it at the FCC.	A split Verizon East / West CAM was filed December 29, 2000.		The consolidated CAM for Illinois will be filed December 2001
#11 9-1-1 Rate Increases	No rate increases at this time.		
#12 Advise Commission Staff of any Reduction or Removal of 9-1-1 Staff	No staff changes at this time.		
#13 Commission Approval before implementing any Changes to the Company's 9-1-1 System	No changes at this time.		
#14 Operational Changes to the Company's 9-1-1 System	No changes at this time.		
#15 Best Practices - A list of best practices must be submitted within 6 months of the merger and each 6 months thereafter.	The list was filed December 21.		The next report is expected June 30, 2001
#16 Maintain Offices in Illinois	The company currently maintains Offices in Illinois.		

Monthly GTE/BA (Verizon) Merger Condition Report
01/08/2001

#17 Comply with Terms and Conditions of Interconnection Agreements	The Company has been offering, and will continue to offer interconnection agreements pursuant to this condition.		
#18 Provision of Interconnection	The Company has been offering, and will continue to offer interconnection pursuant to this condition.		
#19 Information Regarding Interconnection Agreements	A Website accessible to the public became available on June 23, 2000.		
#20 Wholesale Service Rates	Case filed December 20. This case, as 96-0503 before it, will address both wholesale and unbundled element rates.	Status Hearing to be held in January.	
#21 UNE, Interconnection, Transport and Termination Rates	Case filed December 20. This case, as 96-0503 before it, will address both wholesale and unbundled element rates.	Status Hearing to be held in January.	
#22 UNE case with updated LRSICs	Case filed December 20. This case, as 96-0503 before it, will address both wholesale and unbundled element rates.	Status Hearing to be held in January.	
#23 Cellular Affiliate - All properties will use the Verizon name. PrimeCo properties will be divested	Verizon informed the Commission on August 9, 2000 that Primeco will be sold to BGV PCS Acquisition Co.		
#24 Notification to Cellular Customers	Notice will be sent 30 days prior to the divestiture of the affiliate.		

Monthly GTE/BA (Verizon) Merger Condition Report
01/08/2001

#25 Copies of the Cellular Notification to Commission Staff Prior to Mailing - The notices will be sent to Staff at least 15 days prior to their mailing.	Verizon met with Staff on August 9, 2000, and the draft letter was approved with modification.		
#26 Entry into the Chicago Market	Nothing to report at this time.		Expected by December 31, 2001.
#27 Infrastructure Investment	GTE will invest no less than \$270 million over the next 3 years and will file annual reports detailing the impact.	Report for 2000 expected January 31, 2001.	
#28 Common Transport	Working with Staff to develop a definition and to file a tariff.		